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AMENDED IN ASSEMBLY APRIL 28, 2009

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1181

Introduced by Assembly Member Huber

February 27, 2009

An act to amend Sections 84203, 84204, 84215, 84218, 84225, 84605, 85200, 86100, 86107, and 86118 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 1181, as amended, Huber. Political Reform Act of 1974: statements and reports.

(1) The Political Reform Act of 1974 requires a candidate or committee that makes or receives a late contribution, or a committee that makes a late independent expenditure, to report the contribution or expenditure by specified means. The act requires the late contribution or the late independent expenditure to be reported by facsimile transmission, guaranteed overnight delivery, or personal delivery within 24 hours of the time the contribution or independent expenditure is made. The act also requires certain of these types of contributions and expenditures to be reported online.

This bill would provide that if a late contribution or late independent expenditure is required to be reported to the Secretary of State, the

report to the Secretary of State shall be by online or electronic transmission only.

(2) The act requires that candidates, including appellate court and Supreme Court candidates, as well as other specified persons or entities periodically file reports online or electronically with the Secretary of State, including any general purpose committee or candidate that cumulatively has received contributions or made expenditures totaling \$50,000 or more, any slate mailer organization with cumulative reportable payments received or made for purposes of producing slate mailers of \$50,000 or more, or lobbyists, lobbying firms, or lobbyist employers who have reportable payments, expenses, contributions, gifts, or other items of \$5,000 or more in a calendar quarter.

The bill would require those candidates, as well as candidates for superior court, and other specified persons or entities to periodically file reports online or electronically with the Secretary of State, including a general purpose committee or candidate that cumulatively has received contributions or made expenditures totaling \$25,000 or more, any slate mailer organization with cumulative reportable payments received or made for purposes of producing slate mailers of \$25,000 or more, or lobbyists, lobbying firms, or lobbyist employers who have reportable payments, expenses, contributions, gifts, or other items of \$2,500 or more in a calendar quarter. The bill would provide that copies of those statements or reports not be filed with the local filing officer unless they relate to a local elective office or local ballot measure filed by a candidate for both local and state elective office. By imposing criminal penalties on filers who fail to comply with these requirements, the bill would impose a state-mandated local program.

(3) The act generally requires all candidates and elected officers and specified committees to file campaign statements semiannually. The act requires that a copy of a campaign statement of a candidate, elected officer, or a controlled committee of a candidate or elected officer be filed with the elections official of the county in which the candidate or elected official is domiciled. Statewide elected officers other than the members of the State Board of Equalization, Supreme Court justices, candidates for these offices, and specified committees are additionally required to file a copy of their campaign statement with the Secretary of State, the Registrar-Recorder of Los Angeles County, and the Registrar of Voters of the City and County of San Francisco. Likewise, Members of the Legislature, members of the State Board of Equalization, court of appeal justices, superior court judges, candidates for these

offices, and other specified committees are additionally required to file a copy of their campaign statement with the Secretary of State and the elections official of the county with the largest number of registered voters in the districts affected.

The bill would delete these additional filing requirements for statewide elected offices, Members of the Legislature, Supreme Court justices, court of appeal justices, superior court judges, candidates for those offices, and the specified committees and would instead require that these persons and entities file with their campaign statements with the Secretary of State in the manner described in (2) above.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(5) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 84203 of the Government Code is
2 amended to read:
3 84203. (a) Each candidate or committee that makes or receives
4 a late contribution, as defined in Section 82036, shall report the
5 late contribution to each office with which the candidate or
6 committee is required to file its next campaign statement pursuant
7 to Section 84215. The candidate or committee that makes the late
8 contribution shall report his or her full name and street address
9 and the full name and street address of the person to whom the
10 late contribution has been made, the office sought if the recipient
11 is a candidate, or the ballot measure number or letter if the recipient
12 is a committee primarily formed to support or oppose a ballot
13 measure, and the date and amount of the late contribution. The
14 recipient of the late contribution shall report his or her full name
15 and street address, the date and amount of the late contribution,

1 and whether the contribution was made in the form of a loan. The
2 recipient shall also report the full name of the contributor, his or
3 her street address, occupation, and the name of his or her employer,
4 or if self-employed, the name of the business.

5 (b) A late contribution shall be reported by facsimile
6 transmission, guaranteed overnight delivery, or personal delivery
7 within 24 hours of the time it is made in the case of the candidate
8 or committee that makes the contribution and within 24 hours of
9 the time it is received in the case of the recipient. If a late
10 contribution is required to be reported to the Secretary of State,
11 the report to the Secretary of State shall be by online or electronic
12 transmission only. A late contribution shall be reported on
13 subsequent campaign statements without regard to reports filed
14 pursuant to this section.

15 (c) A late contribution need not be reported nor shall it be
16 deemed accepted if it is not cashed, negotiated, or deposited and
17 is returned to the contributor within 24 hours of its receipt.

18 (d) A report filed pursuant to this section shall be in addition to
19 any other campaign statement required to be filed by this chapter.

20 (e) The report required pursuant to this section is not required
21 to be filed by a candidate or committee that has disclosed the late
22 contribution pursuant to subdivision (a) or (b) of Section 85309.

23 SEC. 2. Section 84204 of the Government Code is amended
24 to read:

25 84204. (a) A committee that makes a late independent
26 expenditure, as defined in Section 82036.5, shall report the late
27 independent expenditure by facsimile transmission, guaranteed
28 overnight delivery, or personal delivery within 24 hours of the
29 time it is made. If a late independent expenditure is required to be
30 reported to the Secretary of State, the report to the Secretary of
31 State shall be by online or electronic transmission only. A late
32 independent expenditure shall be reported on subsequent campaign
33 statements without regard to reports filed pursuant to this section.

34 (b) A committee that makes a late independent expenditure shall
35 report its full name and street address, as well as the name, office,
36 and district of the candidate if the report is related to a candidate,
37 or if the report is related to a measure, the number or letter of the
38 measure, the jurisdiction in which the measure is to be voted upon,
39 and the amount and the date, as well as a description of goods or
40 services for which the late independent expenditure was made. In

1 addition to the information required by this subdivision, a
2 committee that makes a late independent expenditure shall include
3 with its late independent expenditure report the information
4 required by paragraphs (1) to (5), inclusive, of subdivision (f) of
5 Section 84211, covering the period from the day after the closing
6 date of the last campaign report filed to the date of the late
7 independent expenditure, or if the committee has not previously
8 filed a campaign statement, covering the period from the previous
9 January 1 to the date of the late independent expenditure. No
10 information required by paragraphs (1) to (5), inclusive, of
11 subdivision (f) of Section 84211 that is required to be reported
12 with a late independent expenditure report by this subdivision is
13 required to be reported on more than one late independent
14 expenditure report.

15 (c) A committee that makes a late independent expenditure shall
16 file a late independent expenditure report in the places where it
17 would be required to file campaign statements under this article
18 as if it were formed or existing primarily to support or oppose the
19 candidate or measure for or against which it is making the late
20 independent expenditure.

21 (d) A report filed pursuant to this section shall be in addition to
22 any other campaign statement required to be filed by this article.

23 (e) Expenditures that have been disclosed by candidates and
24 committees pursuant to Section 85500 are not required to be
25 disclosed pursuant to this section.

26 SEC. 3. Section 84215 of the Government Code is amended
27 to read:

28 84215. All candidates and elected officers and their controlled
29 committees, except as provided in subdivision ~~(e)~~ (d), shall file
30 one copy of the campaign statements required by Section 84200
31 with the elections official of the county in which the candidate or
32 elected official is domiciled, as defined in subdivision (b) of
33 Section 349 of the Elections Code. In addition, campaign
34 statements shall be filed at the following places:

35 (a) Statewide elected officers, including members of the State
36 Board of Equalization; Members of the Legislature; Supreme Court
37 justices, court of appeal justices, and superior court judges;
38 candidates for those offices and their controlled committees;
39 committees formed or existing primarily to support or oppose these
40 candidates, elected officers, justices and judges, or statewide

1 measures, or the qualification of state ballot measures; and all state
2 general purpose committees and filers not specified in subdivisions
3 (b) to (e), inclusive, shall file a campaign statement by online or
4 electronic means, as specified in Section 84605, and shall file the
5 original and one copy of the campaign statement in paper format
6 with the Secretary of State.

7 (b) Elected officers in jurisdictions other than legislative
8 districts, State Board of Equalization districts, or appellate court
9 districts that contain parts of two or more counties, candidates for
10 these offices, their controlled committees, and committees formed
11 or existing primarily to support or oppose candidates or local
12 measures to be voted upon in one of these jurisdictions shall file
13 the original and one copy with the elections official of the county
14 with the largest number of registered voters in the jurisdiction.

15 (c) County elected officers, candidates for these offices, their
16 controlled committees, committees formed or existing primarily
17 to support or oppose candidates or local measures to be voted upon
18 in any number of jurisdictions within one county, other than those
19 specified in subdivision (d), and county general purpose
20 committees shall file the original and one copy with the elections
21 official of the county.

22 (d) City elected officers, candidates for city office, their
23 controlled committees, committees formed or existing primarily
24 to support or oppose candidates or local measures to be voted upon
25 in one city, and city general purpose committees shall file the
26 original and one copy with the clerk of the city *and are not*
27 *required to file with the local elections official of the county in*
28 *which they are domiciled.*

29 (e) Notwithstanding the above, a committee, candidate, or
30 elected officer is not required to file more than the original and
31 one copy, or one copy, of a campaign statement with any one
32 county elections official or city clerk or with the Secretary of State.

33 (f) If a committee is required to file campaign statements
34 required by Section 84200 or 84200.5 in places designated in
35 subdivisions (c) and (d), it shall continue to file these statements
36 in those places, in addition to any other places required by this
37 title, until the end of the calendar year.

38 SEC. 4. Section 84218 of the Government Code is amended
39 to read:

1 84218. (a) A slate mailer organization shall file semiannual
2 campaign statements for each period in which it has received
3 payments totaling five hundred dollars (\$500) or more from any
4 person for the support of or opposition to candidates or ballot
5 measures in a slate mailer, or in which it has expended five hundred
6 dollars (\$500) or more to produce one or more slate mailers. The
7 semiannual statements shall be filed no later than July 31 for the
8 period ending June 30, and no later than January 31 for the period
9 ending December 31.

10 (b) In addition to the semiannual statements required by
11 subdivision (a), slate mailer organizations shall file preelection
12 statements as follows:

13 (1) Any slate mailer organization which produces a slate mailer
14 supporting or opposing candidates or measures being voted on in
15 an election held upon the first Tuesday after the first Monday in
16 June or November of an even-numbered year shall file the
17 statements specified in Section 84200.7 if, during the period
18 covered by the preelection statement, the slate mailer organization
19 receives payments totaling five hundred dollars (\$500) or more
20 from any person for the support of or opposition to candidates or
21 ballot measures in one or more slate mailers, or expends five
22 hundred dollars (\$500) or more to produce one or more slate
23 mailers.

24 (2) Any slate mailer organization which produces a slate mailer
25 supporting or opposing candidates or measures being voted on in
26 an election held on a date other than the first Tuesday after the
27 first Monday in June or November of an even-numbered year shall
28 file the statements specified in Section 84200.8 if, during the period
29 covered by the preelection statement, the slate mailer organization
30 receives payments totaling five hundred dollars (\$500) or more
31 from any person for the support of or opposition to candidates or
32 ballot measures in one or more slate mailers, or expends five
33 hundred dollars (\$500) or more to produce one or more slate
34 mailers.

35 (c) A slate mailer organization shall file two copies of its
36 campaign reports with the clerk of the county in which it is
37 domiciled. A slate mailer organization is domiciled at the address
38 listed on its statement of organization unless it is domiciled outside
39 California, in which case its domicile shall be deemed to be Los
40 Angeles County for purposes of this section.

1 In addition, slate mailer organizations shall file campaign reports
2 as follows:

3 (1) A slate mailer organization which produces one or more
4 slate mailers supporting or opposing candidates or measures voted
5 on in a state election, or in more than one county, shall file
6 campaign reports in the same manner as state general purpose
7 committees pursuant to subdivision (a) of Section 84215.

8 (2) A slate mailer organization which produces one or more
9 slate mailers supporting or opposing candidates or measures voted
10 on in only one county, or in more than one jurisdiction within one
11 county, shall file campaign reports in the same manner as county
12 general purpose committees pursuant to subdivision (c) of Section
13 84215.

14 (3) A slate mailer organization which produces one or more
15 slate mailers supporting or opposing candidates or measures voted
16 on in only one city shall file campaign reports in the same manner
17 as city general purpose committees pursuant to subdivision (d) of
18 Section 84215.

19 (4) Notwithstanding the above, no slate mailer organization
20 shall be required to file more than the original and one copy, or
21 two copies, of a campaign report with any one county or city clerk
22 or with the Secretary of State.

23 SEC. 5. Section 84225 of the Government Code is amended
24 to read:

25 84225. (a) For the purposes of this section only, “board” means
26 the Board of Administration of the Public Employees’ Retirement
27 System, as established under Article 1 (commencing with Section
28 20090) of Chapter 2 of Part 3 of Division 5 of Title 2.

29 (b) Except as provided in this section, the provisions of this
30 article do not apply to candidates for the board, including
31 incumbent board members running for reelection, as such
32 candidates are described in subdivision (g) of Section 20090.

33 (c) (1) Candidates for board seats described in subdivision (g)
34 of Section 20090, including incumbent board members running
35 for reelection, shall file campaign statements both by online or
36 electronic means and physically, submitting the original and one
37 copy, in paper format, with the Secretary of State no later than two
38 days before the beginning of the ballot period, as determined by
39 the board, for the period ending five days before the beginning of

1 the ballot period, and no later than January 10 for the period ending
2 December 31.

3 (2) The campaign statements shall contain an itemized report
4 prepared on a form prescribed by the Commission, with the
5 assistance of the board, that provides the information contained in
6 campaign statements required under Section 84211 to the extent
7 that the information is applicable to a board election.

8 (3) The original of a campaign statement shall be filed with the
9 Secretary of State and a copy shall be retained at the board's office
10 in Sacramento and is a public record.

11 SEC. 6. Section 84605 of the Government Code is amended
12 to read:

13 84605. (a) The following persons shall file online or
14 electronically with the Secretary of State:

15 (1) Any candidate, including superior court, appellate court,
16 and Supreme Court candidates and officeholders, committee, or
17 other persons who are required, pursuant to Chapter 4 (commencing
18 with Section 84100), to file statements, reports, or other documents
19 in connection with a state elective office or state measure, provided
20 that the total cumulative reportable amount of contributions
21 received, expenditures made, loans made, or loans received is
22 twenty-five thousand dollars (\$25,000) or more. In determining
23 the cumulative reportable amount, all controlled committees, as
24 defined by Section 82016, shall be included. For a committee
25 subject to this title prior to January 1, 2000, the beginning date for
26 calculating cumulative totals is January 1, 2000. For a committee
27 that is first subject to this title on or after January 1, 2000, the
28 beginning date for calculating cumulative totals is the date the
29 committee is first subject to this title. A committee, as defined in
30 subdivision (c) of Section 82013, shall file online or electronically
31 if it makes contributions of twenty-five thousand dollars (\$25,000)
32 or more in a calendar year.

33 (2) Any general purpose committees, as defined in Section
34 82027.5, including the general purpose committees of political
35 parties, and small contributor committees, as defined in Section
36 85203, that cumulatively receive contributions or make
37 expenditures totaling twenty-five thousand dollars (\$25,000) or
38 more to support or oppose candidates for any elective state office
39 or state measure. For a committee subject to this title prior to
40 January 1, 2000, the beginning date for calculating cumulative

1 totals is January 1, 2000. For a committee that first is subject to
2 this title on or after January 1, 2000, the beginning date for
3 calculating cumulative totals is the date the committee is first
4 subject to this title.

5 (3) Any slate mailer organization with cumulative reportable
6 payments received or made for the purposes of producing slate
7 mailers of twenty-five thousand dollars (\$25,000) or more. For a
8 slate mailer organization subject to this title prior to January 1,
9 2000, the beginning date for calculating cumulative totals is
10 January 1, 2000. For a slate mailer organization that first is subject
11 to this title on or after January 1, 2000, the beginning date for
12 calculating cumulative totals is the date the organization is first
13 subject to this title.

14 (4) Any lobbyist, lobbying firm, lobbyist employer, or other
15 persons required, pursuant to Chapter 6 (commencing with Section
16 86100), to file statements, reports, or other documents, provided
17 that the total amount of any category of reportable payments,
18 expenses, contributions, gifts, or other items is two thousand five
19 hundred dollars (\$2,500) or more in a calendar quarter.

20 (b) The Secretary of State shall also disclose on the Internet any
21 late contribution or late independent expenditure report, as defined
22 by Sections 84203 and 84204, respectively, not covered by
23 paragraph (1), (2), or (3) of subdivision (a) or any other provision
24 of law.

25 (c) Committees and other persons that are not required to file
26 online or electronically by this section may do so voluntarily.

27 (d) Once a person or entity is required to file online or
28 electronically, subject to subdivision (a) or (c), the person or entity
29 shall be required to file all subsequent reports online or
30 electronically.

31 (e) It shall be presumed that online or electronic filers file under
32 penalty of perjury.

33 (f) Persons filing online or electronically shall also continue to
34 file required disclosure statements and reports in paper format.
35 The paper copy shall continue to be the official filing for audit and
36 other legal purposes until the Secretary of State, pursuant to Section
37 84606, determines the system is operating securely and effectively.

38 (g) The Secretary of State shall maintain at all times a secured,
39 official version of all original online and electronically filed
40 statements and reports required by this chapter. Upon determination

1 by the Secretary of State, pursuant to Section 84606, that the
2 system is operating securely and effectively, this online or
3 electronic version shall be the official version for audit and other
4 legal purposes.

5 (h) Except for statements related to a local elective office or a
6 local ballot measure filed by a candidate for local elective office
7 who is also a candidate for elective state office, a copy of a
8 statement, report, or other document filed by online or electronic
9 means with the Secretary of State shall not be filed with a local
10 filing officer.

11 SEC. 7. Section 85200 of the Government Code is amended
12 to read:

13 85200. Prior to the solicitation or receipt of any contribution
14 or loan, an individual who intends to be a candidate for an elective
15 state office, as that term is defined by Section 82024, shall file
16 with the Secretary of State an original statement, signed under
17 penalty of perjury, of intention to be a candidate for a specific
18 office.

19 An individual who intends to be a candidate for any other elective
20 office shall file the statement of intention with the same filing
21 officer and in the same location as the individual would file an
22 original campaign statement pursuant to subdivisions (b), (c), and
23 (d) of Section 84215.

24 For purposes of this section, “contribution” and “loan” do not
25 include any payments from the candidate’s personal funds for a
26 candidate filing fee or a candidate statement of qualifications fee.

27 SEC. 8. Section 86100 of the Government Code is amended
28 to read:

29 86100. (a) Individual lobbyists shall prepare lobbyist
30 certifications pursuant to Section 86103 for filing with the
31 Secretary of State as part of the registration of the lobbying firm
32 in which the lobbyist is a partner, owner, officer, or employee or
33 as part of the registration of the lobbyist employer by which the
34 lobbyist is employed.

35 (b) Lobbying firms shall register with the Secretary of State.

36 (c) Lobbyist employers as defined in subdivision (a) of Section
37 82039.5 shall register with the Secretary of State.

38 (d) Lobbyist employers as defined in subdivision (b) of Section
39 82039.5 and persons described in subdivision (b) of Section 86115

1 are not required to register with the Secretary of State but shall
2 file statements pursuant to this article.

3 (e) A registration statement shall be filed both by online or
4 electronic means and physically, submitting the original statement
5 and one copy, in paper format.

6 SEC. 9. Section 86107 of the Government Code is amended
7 to read:

8 86107. (a) If any change occurs in any of the information
9 contained in a registration statement, an appropriate amendment
10 shall be filed both by online or electronic means and physically,
11 submitting the original one copy of the amendment, in paper
12 format, with the Secretary of State within 20 days after the change.
13 However, if the change includes the name of a person by whom a
14 lobbying firm is retained, the registration statement of the lobbying
15 firm shall be amended and filed to show that change prior to the
16 lobbying firm's attempting to influence any legislative or
17 administrative action on behalf of that person. Lobbying firms and
18 lobbyist employers that, during a regular session of the Legislature,
19 cease all activity that required registration shall file a notice of
20 termination within 20 days after the cessation. Lobbying firms and
21 lobbyist employers that, at the close of a regular session of the
22 Legislature, cease all activity that required registration are not
23 required to file a notice of termination.

24 (b) If any change occurs in any of the information contained in
25 a lobbyist certification or if a lobbyist terminates all activity that
26 required the certification, the lobbyist shall submit an amended
27 certification or notice of termination to his or her lobbying firm
28 or lobbyist employer for filing with the Secretary of State within
29 the time limits specified in subdivision (a). A lobbyist who, at the
30 close of a regular session of the Legislature, ceases all activity that
31 required certification is not required to file a notice of termination.

32 (c) Lobbyists and lobbying firms are subject to Section 86203
33 for the earlier of six months after filing a notice of termination or
34 six months after the close of a regular session of the Legislature
35 at the close of which the lobbyist or lobbying firm ceased all
36 activity that required certification or registration.

37 ~~SEC. 10. Section 86118 of the Government Code is amended~~
38 ~~to read:~~

39 ~~86118. Each report required by Section 86114 or 86116 shall~~
40 ~~be filed by online or electronic means with the Secretary of State.~~

1 SEC. 10. Section 86118 of the Government Code is amended
2 to read:

3 86118. The original and one copy of each report required by
4 Sections 86114 and 86116 of the Government Code shall be filed
5 with the Secretary of State, *unless filing in paper format is no*
6 *longer required by Sections 84605 and 84606.*

7 SEC. 11. No reimbursement is required by this act pursuant to
8 Section 6 of Article XIII B of the California Constitution because
9 the only costs that may be incurred by a local agency or school
10 district will be incurred because this act creates a new crime or
11 infraction, eliminates a crime or infraction, or changes the penalty
12 for a crime or infraction, within the meaning of Section 17556 of
13 the Government Code, or changes the definition of a crime within
14 the meaning of Section 6 of Article XIII B of the California
15 Constitution.

16 SEC. 12. The Legislature finds and declares that this bill
17 furthers the purposes of the Political Reform Act of 1974 within
18 the meaning of subdivision (a) of Section 81012 of the Government
19 Code.